

ORIGINAL



**Lance J.M. Steinhart, P.C.**  
1720 Windward Concourse  
Suite 250  
Alpharetta, Georgia 30005

28 DR

Also Admitted in New York  
and Maryland

Telephone: (770) 232-9200  
Facsimile: (770) 232-9208  
Email: lsteinhart@telecomcounsel.com

March 29, 2006

**VIA OVERNIGHT DELIVERY**

Docket Control  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007  
(602) 542-2237

Re: Inter-Tel NetSolutions, Inc.  
Docket No. T-02585A-05-0710

Dear Sir/Madam:

Enclosed please find for filing an original and thirteen (13) copies of Inter-Tel NetSolutions, Inc.'s responses to the Staff's Second Set of Data requests.

I have also enclosed an extra copy of this letter to be date stamped and returned to me in the enclosed, self-addressed, postage prepaid envelope.

If you have any questions or if I may provide you with additional information, please do not hesitate to contact me.

Respectfully submitted,

Charlotte Lacey  
Legal Assistant to Lance J.M. Steinhart  
Attorney for Inter-Tel NetSolutions, Inc.

cc: Jon Brinton  
Michael W. Patten, Esq. (facilities based only - via 2-Day Delivery)  
David Ronald, Staff Attorney  
Armando Fimbres, Utilities Division

AZ CORP COMMISSION  
DOCUMENT CONTROL

2006 MAR 30 P 4: 05

RECEIVED

**ARIZONA CORPORATION COMMISSION  
STAFF'S SECOND SET OF DATA REQUESTS TO  
INTER-TEL NETSOLUTIONS, INC. ("Inter-Tel")  
Docket T-02585A-05-0710  
December 14, 2005**

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STF 2.1      Inter-Tel's application at (A-18) states "The applicant is authorized to provide long distance service throughout the United States." Does "throughout the United States" mean all 50 states and Washington, D.C.? If no, please explain.

ANSWER:      The applicant is authorized to provide long distance service in all 50 states, including Alaska, Hawaii and Washington, D.C.

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STF 2.2      Are Inter-Tel's long rates the same in all states where Inter-Tel provides long distance service?

ANSWER:      No.

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STF 2.3      If the answer above is "no", please prove a comparison between the long distance rates in Arizona and the state where Inter-Tel has its lowest long distance rates; and a comparison between the long distance rates in Arizona and the state where Inter-Tel has its highest long distance rates.

ANSWER:      Inter-Tel NetSolutions long distance rates vary by state. Currently, NetSolutions charges 9.9 CPM for switched long distance services in Arizona. By comparison, our California switched long distance rate is .045 cents. Our highest long distance rate is in Alaska where our Intrastate switched rate is 39 cents per minute.

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STF 2.4      Inter-Tel's application submission to (A-19) list seven states in which Inter-Tel provides local exchange service. Are local exchange rates that Inter-Tel proposes for Arizona the same as the local exchange rates in Colorado, Georgia, Illinois, Missouri, New Jersey, New York and Texas?

ANSWER:    Yes.

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STF 2.5      If the answer above is "no", please prove a comparison between the local exchange rates in proposed Arizona and the state where Inter-Tel has its lowest local exchange rates; and a comparison between the local exchange rates proposed in Arizona and the state where Inter-Tel has its highest local exchange rates.

ANSWER:      See answer to STF 2.4

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STF 2.6      On October 15, 2005, Inter-Tel filed a price list for local exchange services in Washington state, UT-051562. Please explain why Washington was not referenced in Inter-Tel's application submission to (A-19)?

ANSWER:    The Washington price list was filed after the Arizona application was filed.

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STF 2.7      Are there any other in which Inter-Tel provides local exchange service other than Colorado, Georgia, Illinois, Missouri, New Jersey, New York, Texas and possibly Washington?

ANSWER:    No.

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STF 2.8      Are there any states in which Inter-Tel has local exchange applications pending?

ANSWER:      Currently, Inter-Tel has local exchange applications pending with the commissions in Florida, Nevada, North Carolina and Pennsylvania.

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STF 2.9      Question (B-2) in the application requests "...financial information for the two (2) most recent years." Please provide the complete information for Inter-Tel. If not possible, please explain.

ANSWER:    Please see attached.

ENTITY=105 (NETSOLUTIONS)

	2005	2004
TOTAL REVENUE	51,585,450	46,554,363
TOTAL COST OF SALES	34,698,340	30,704,905
GROSS MARGIN	16,887,110	15,849,458
TOTAL ADMINISTRATIVE	2,452,289	2,142,840
TOTAL SELLING	4,970,185	5,427,118
ADJUST-90 DAY ACCOUNTS	-452,647	12,883
INCOME(LOSS) FROM OPERATION	9,917,283	8,266,617

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STF 2.10      Please provide the entire tariff submitted with Inter-Tel's CC&N application I electronic, MSW format via email to [afimbres@azcc.gov](mailto:afimbres@azcc.gov) or via CD to the address indicated in the cover letter.

ANSWER:      An electronic version on the entire tariff submitted in Inter-Tel's CC&N application has been emailed to [afimbres@azcc.gov](mailto:afimbres@azcc.gov) as of January 3, 2006.